

Card Room connection

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September —December 2003

Undercover Surveillance in Card Rooms

Undercover (UC) agents are special agents of the Washington State Gambling Commission (WSGC) who do not wear any identification, in effect, disguising themselves as gamblers and customers. When agents are undercover, they gamble with funds paid by card rooms and tribal casinos.



Agents look for dealer violations, cheating, other illegal activities, and security procedures. After the visit, a detailed report is prepared and sent to the WSGC agent in Field Operations who is assigned to that premise. This differs from the tribal casinos, where the reports are sent to the Tribal Gaming Agency of the tribe.

Overview of Discoveries from Undercover Surveillance

The UC agents who are performing the undercover visits are the same agents who do undercover visits at tribal casinos. Discrepancies noted are not one-time events.

The list below is a summary of discrepancies noted by the UC agents during visits to house-banked card rooms and tribal casinos:

Improperly labeled drop boxes
“Burn cards” not used
Exchanging chips between players allowed

(Continued on page 4)

Illegal Card Games Busted!

Last April, Special Agents of the Washington State Gambling Commission and officers of the Pullman Police Department served a search warrant at a residence in Pullman, Washington. The search warrant was the result of an undercover investigation into a private, unlicensed professional gambling operation.

The operation involved a poker game called Texas Hold'em, as well as blackjack games from which the operator of the game collected a percentage of each pot as a fee for operating the game. It is believed that thousands of dollars in illegal bets were made at these games.

An illegal game was in progress when the search warrant was served. All people present were arrested and transported to the Pullman Police Department for processing.

In addition to the gambling charges, alleged incidents of providing liquor to minors and possession and/or distribution of false identification documents are also under investigation.

(Continued on page 2)



WORD SEARCH

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M	I	W	T	G	T	S	I

Control
Dollar
Monitor
Count
PaiGow
Signal
Tip
Agent

Answer
Key is on
the back
page

Protect the public by ensuring that gambling is legal and honest.

Rules Changes

Audits & Reviews of Financial Statements

230-40-823

This amendment would require house-banked card rooms with gross receipts of \$3 million or less to submit "reviewed" financial statements and operators above \$3 million to submit "audited" financial statements to the Washington State Gambling Commission.

There has been a lot of discussion about compiled versus audited financial statements and whether \$3 million is the best threshold.

This rule was scheduled for adoption at the January 2004, Commission meeting. However, the meeting was cancelled due to severe weather conditions.

We anticipate this rule change will be adopted at the February 13, 2004, Commission meeting to become effective March 15, 2004.



Increased Betting limits

The Recreational Gaming Association's Petition to increase card room betting limits from \$100 to \$300 was discussed at the August, September, October, and November Commission Meetings.

At the October meeting, Commissioner Orr proposed an amendment that would raise the betting limit to \$200 rather than \$300, and have it be based on the number of tables authorized in a card room:

- Five or fewer tables would have one table at the higher limit;
- Six to ten tables would have two tables at the higher limit;
- Eleven to fifteen tables would have three tables at the higher limit.

The proposal would also have the increased betting limits run only through 2004, and sunset (end) after that. In order for it to continue, another rule proposal would have to be made.

We have received several letters and about 60 e-mails opposing increased betting limits and several letters and over 70 e-mails supporting it, additionally over 80 people visited our website and signed-up in support of the petition. There has been a lot of testimony both for and against increased betting limits at the Commission meetings.

The January 2004, Commission meeting was cancelled due to severe weather conditions. At the February 12, 2004, meeting, we anticipate the Commission will vote to hold the petition over until after the 2004 legislative session.

Rule Changes Adopted at the November Commission meeting Effective 1-1-04

Card Tournaments

WAC 230-40-055

Pre-tournament play restrictions were removed from this rule. Licensees are now required to clearly post pre-tournament play requirements for players.



The maximum player entry fee was increased from \$50 to \$100 and the total buy-in from \$200 to \$400. The length of a card tournament was increased from 10 days to 30 days.

New Agency Website!

A team of Gambling Commission staff created a new and improved website to better serve our customers. The new site was introduced on October 1, 2003.

The team conducted usability testing on select staff, licensees and industry groups to get input on whether the new site was user friendly. We have received a lot of positive feedback regarding the new site!

Check out our new site at www.wsgc.wa.gov and e-mail the webmaster if you have any questions or suggestions.



(Continued from page 1) *Illegal Card Games Busted*

Items seized as evidence during the search included playing cards, chips, cash, computers, and professional type gaming tables.

Thirteen people were arrested on charges of Professional Gambling 2nd Degree (Class C Felony) and Professional Gambling 3rd Degree (Gross Misdemeanor).

Card Room Employee—Gambling Violations

Name	Violation	Case Outcome
Wai Chan, Card Room Employee (CRE) formerly employed at Roman Casino, Seattle	Summary Suspension due to Criminal History	The licensee agreed to surrender his license and not re-apply for a period of five years.
Tsz Kin Yu, CRE, formerly employed at Silver Dollar Casino, Sea-Tac	Summary Suspension – Criminal History	A hearing was held. Administrative Law Judge (ALJ) ordered the license revoked.
Chi-Shing (Benny) Lee CRE, formerly employed at Roman Casino, Seattle	Summary Suspension – Criminal History	A hearing was held. The ALJ ordered the license revoked.
Michael Callison, Applicant, Casino Caribbean, Yakima	Criminal History	The ALJ upheld the Commission's denial of the applicant's card room employee application.
William Marx CRE, formerly employed at Players & Spectators, Spokane	Criminal History	The licensee agreed to surrender his license and not re-apply until after November 19, 2004.
Jason Fernandez, CRE, formerly employed at Silver Dollar Casino, Mountlake Terrace	Failure to disclose criminal history.	A hearing was held. The licensee failed to appear; therefore, the ALJ issued an Order of Default revoking his license.
Antone Perkins, CRE, formerly employed at the Silver Dollar Casino, Mountlake Terrace	Criminal History and Willful Disregard	The licensee failed to respond; therefore, an Order of Default revoking his license was entered at the September Commission meeting.
Tianshu Li, CRE, Golden Nugget Casino, Shoreline	Cheating	A hearing was held. The ALJ denied staff's request for revocation of the license.
Robert Fitzgerald CRE, New Grove, Everett	Cheating	The licensee did not respond to the charges. Therefore, an Order of Default revoking the license was issued at the August Commission meeting.
Tia Seto, CRE, formerly employed at Wizards Casino, Burien	Cheating	The licensee failed to respond; therefore, an Order of Default revoking her license was issued at the October Commission meeting.
Vannath Heng CRE, formerly employed at Cascade Lanes, Renton	Cheating	A hearing was held. The ALJ issued an Order revoking the license. The licensee appealed, and at the August Commission meeting, the Commissioners upheld the ALJ's Order.
Deborah Striplin, CRE, formerly employed at Hank's Casino, Belfair	Cheating	The licensee agreed to surrender her license and not reapply for one year.
Nosratollah "Pete" Moradi, Applicant, Silver Lanes & Scrapbook Restaurant, Spokane	Theft	The ALJ upheld the Commission's denial of the application. The applicant filed a Petition for Review which was heard at the Commission's May meeting. The Commissioners upheld the ALJ's ruling. The applicant filed a Petition for Reconsideration, which was heard at the Commission's August meeting, where the Commissioners reaffirmed their denial of the application.
James Dye, CRE, formerly employed at Hawk's Prairie Casino, Lacey	Theft	The licensee did not respond to the charges. Therefore, an Order of Default revoking the license was issued at the August Commission meeting.
Sam Hoy, CRE, formerly employed at Billie's Casino, Renton	Theft	The licensee did not respond to the charges. Therefore, an Order of Default revoking the license was issued at the August Commission meeting.
Valerie Colson, CRE, formerly employed at Chips Casino, Bremerton	Theft	The licensee failed to respond; therefore, an Order of Default revoking her license was issued at the October Commission meeting.
Nicky Fair, CRE, formerly employed at Cleopatra's Cable Bridge Casino, Kennewick	Operation of a dealer school without first obtaining a Service Supplier license.	A hearing was held. The ALJ ordered that the license be revoked.
Robie Robinson, CRE, formerly employed at River Bend Casino, Spokane, and Class III employee, Kalispel Casino, Airway Heights	Failure to follow internal control procedures.	The licensee agreed to a six-month suspension.

Washington State Gambling Commission

Headquarters: P.O. Box 42400
Olympia, Washington 98504-2400
Phone: (360) 486-3440
Toll Free: (800) 345-2529
TDD: (360) 486-3637
Website: wsgc.wa.gov

Call our Field Office closest to you for Regulatory or Operational Questions.

Bellingham (360) 738-6203
Everett (425) 339-1728
Kennewick (509) 734-7412
Renton (425) 277-7014
Spokane (509) 329-3666
Tacoma (253) 471-5312
Wenatchee (509) 662-0435
Yakima (509) 575-2820

Answer Key to Word Search on the Front Page

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The Next Commission Meetings:

March 11 & 12, 2004
Red Lion Hotel—Olympia
2300 Evergreen Park Drive
Olympia, WA 98502
(360) 943-4000

April 8 & 9, 2004
Phoenix Inn Suites
415 Capitol Way North
Olympia, WA 98501
(360) 570-0555

Editor, Layout and Design: Susan Arland This newsletter is published twice a year.

If you have any questions or comments about our newsletters, or would like to see a topic highlighted in an article, you can reach me at: Susan Arland, Rules Coordinator and Public Information Officer, P.O. Box 42400, Olympia, Washington 98504; (360) 486-3466, (800) 345-2529, Ext. 3466; or e-mail susana@wsgc.wa.gov

(Continued from page 1) Undercover Surveillance in Card Rooms

Gaming rules not followed as stated in internal controls
Dealers not monitoring wagers, allowing them to exceed limits
Dealers cupping/palming chips when passing to patrons
Internal controls not followed during drop box pickup
Procedural errors by dealers including:

- Setting cards
- Card count
- Touching body without clearing hands
- Improper payouts
- Improper calculation of commissions for Pai Gow
- Mishandled money for buy-ins
- Made change from his/her pockets
- Played in tournaments

- Dealers double paying wagers due to player placing next hand's bet out
- Dealers paying pushes; not collecting losing bets; or paying losing bets
- Floor person and/or security leaving table during fill before securing chips
- Floor person not in pit during gaming
- Floor person not verifying chips when changing up to \$500
- Table limits not posted or Rules not posted
- Dealers not breaking down stacks of chips when receiving fills to verify correct amount
- Dealers playing hands for players by not waiting for hand signals to hit or stand in Blackjack
- Dealers cheating for players by ignoring signal to stand when dealer had looked at next card
- Dealers making change or "coloring up" announcement but not waiting for floor supervisor's response
- Dealers announcing change for supervisor but being answered by other dealers as supervisor not responsive and dealer proceeding with game
- Dealers unable to calculate proper payouts in games with graduated payouts and paying wrong amounts
- Dealers not spreading chips for cameras in games with bonus buy-ins
- Dealers taking hits when not required ("hard" 17)
- Dealers being told to meet player in parking lot for additional tokens

Several dealers have been charged criminally or have had their gambling licenses revoked for violations discovered by UC agents. Remember that state law (RCW 9.46.196) was changed a few years ago and in that revision, those who hold a gambling license are guilty of a Class C felony if they cheat, either by themselves or with another person(s). It could involve up to a \$20,000 fine in addition to other penalties assessed (like time in jail).

Our mission is to keep gambling legal and honest and the use of undercover agents is one of the tools we use to do this.